



## State of Connecticut

### HOUSE OF REPRESENTATIVES STATE CAPITOL

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PUBLIC HEALTH COMMITTEE

Commerce Committee  
Public Testimony  
Tuesday, March 12, 2013

Dear Senator LeBeau, Representative Perone, Senator Frantz, Representative Lavielle and esteemed members of the Commerce Committee,

I submit this testimony in support of H.B. No. 5019, AN ACT ESTABLISHING A TAX CREDIT FOR FIRST-TIME HOME BUYERS, and thank the committee for its continued support of homeownership in Connecticut.

Homeownership is a strong backbone of a sound economy. As you likely know, Connecticut's real estate market appears to be improving, but continues to be sluggish, further hindering economic growth in the state. Home ownership, nationally, for young families is at an all-time low, and due to economic uncertainty, many families in Connecticut, despite low interest rates, have been hesitant to reinvest in their communities by buying a home. Many reports, however, have indicated that for every two homes sold, one job is created in our economy. From construction to service jobs, home purchases stimulate local economies here in Connecticut while encouraging entrepreneurship and a reinvestment into our communities.

This bill would create a new tax credit program that is similar to the incentives offered by the federal government between 2008 to 2010 for first-time homebuyers. Like the former federal program, the credit would be limited to the purchase of a taxpayer's primary residence and would be capped. Similarly, the credit could be structured to phase out based on the taxpayer's modified adjusted gross income so the credit can be used to target those individuals and families most in need of assistance. Much like the former federal tax credit program, this credit could be used to reduce a taxpayer's tax bill or increase their refund depending on the taxes owed to the state. Furthermore, in order to protect against fraud and increase the likelihood of the credit impacting those in which we intend, the taxpayer would also be required to pay back all or portions of the credit, similar to the former federal program, if they sell the home within three years of the date of purchase.

I urge the committee's favorable consideration of House Bill 5019 in order to help promote a stronger Connecticut economy for years to come.